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WORKERS MANAGE FACTORIES IN YUGOSLAVIA

BELGRADE
1950

PRINTED BY »JUGOŠTAMPA«, BELGRADE

On June 26 th, 1950 the Yugoslav Federal Assembly passed the Basic Law on Management of State Economic Enterprises and Higher Economic Associations by the Workers' Collectives On that occasion Marshal Tito the President of the Federal Government delivered a Speech pointing out the character of this Law and the aim of developing Socialism in Yugoslavia, which we here bring in whole As addition to the Speech we bring the conclusion from the Law on Management of State and Economic Enterprises

MARSHAL TITO'S SPEECH

The Federal Assembly is today considering the draft of one of the most important bills in socialist Yugoslavia — the bill on management of state economic enterprises and higher economic associations by the workers The adoption of this bill will be the most significant historic act of the Federal Assembly next to the Law on Nationalization of the Means of Production When the state took over the means of pro-

abstract propaganda slogans but mottoes which have deep meaning They contain the entire program of socialist relations in production, in regard to social ownership in regard to the rights and duties of working people. Therefore, they can be and they must be realized in practice if we are really to build socialism

This bill giving the working collectives of the factories and enterprises the right to manage them is a logical conse-

Peop- ... road to social
ism ... partially ripe
Every ... showing their
maturity, their high degree of consciousness as expressed through their heroic efforts to finish planned

tasks How is it that our workers show such enthusiasm and self sacrifice in competing to carry out their planned tasks ahead of schedule? Because they understand that the building of socialism in our country depends on them alone and that the fruits of their labors go to their benefit Our working people have had a chance to see that the People's Government has full faith in them and that it is concerned with their welfare On the other hand, our working people have shown that they are ready to overcome even the greatest difficulties in their work Are not these workers, then, capable of managing their factories themselves, workers who are making such efforts, who are investing such efforts and self sacrifice in turing out the greatest possible number of products, who are building new factories, new projects, new railways with such energy, who are showing such great devotion to their work by bending all their strength to improving the means of production by way of introducing new and better methods? Of course they are capable of management, while the new workers coming into the factories, mines and other enterprises will learn from their co workers

There may be some who consider this bill premature, who think that the workers will not be able to master the complicated technique of running factories and other enterprises Whoever reasons this way is deceiving himself for such a point of view means distrust of our workers, blindness to their tremendous creative abilities which will be developed by the management of the factories This law will open up new prospects for the future of our working people and for our whole community It is therefore not only not premature, but even a little late It is late because our Party, until the announcement of the infamous Cominform Resolution, had too many illusions and was too uncritical in taking and replanting here everything that was being done in the Soviet Union, even those

things which were not in harmony with our specific conditions, or in the spirit of the science of Marxism Leninism It was ready made recipes that were wanted and that were imposed on us, or that we ourselves went after There was a tendency to take the line of least resistance

But today, we ourselves are building socialism in our country We are not using any kind of stereotype but are rather being governed by the science of Marxism and are going our own way, minding the specific conditions which exist in our country Stereotyped ideas taken from others have done us a lot of harm and their serious consequences are still being felt These stereotyped ideas took hold willy nilly and it is hard for our people to shed them now even if they want to At the last minute, we *undertook* measures to put a stop to such practices along all lines That is why the successes in development are growing day by day This successful realization of Marxist science in experience makes it possible for us to fight against its revision and for victory of the truth about our socialist country In our own [illegible] practice, [illegible] throws l[illegible] wants to [illegible] capable of perceiving its spirit needs no other authorities, no other instructors, no ersatz Marxist science which can only cause deviation from the correct socialist way to the road of revisionism

Turning to Marx, Engels and Lenin, one can, in the main, find the answers to all problems in principle The elaboration and application of these principles in each country separately can be made only by those who grew up in that country, who knows its problems, its history, its customs, its weaknesses and strength, who can see what is going on right there where it is happening and who, at the same time, know Marxist science That means that they must understand its

spirit, use it effectively and put it into practice Today, at the peak of political and economic disorder in the world, in a period of ideological and political chaos in countries which have the conditions for developing socialism but are being obstructed by forces from outside, it is more important than ever before not to deviate from the basic principles and spirit of that science It would be of great importance for the communist leaders of these countries to have the courage to think with their own heads and also that this science really be applied in practice in those countries where the conditions exist for it And it would be especially important for it to be applied in relations among socialist countries instead of serving purposes which are the opposite of socialist This is the case with the Soviet leaders and the governments which are under their influence as regards unsocialist attitudes toward Yugoslavia

The aim of this address is not simply to refute various accusations or to criticize the Soviet Union and other Eastern countries but to try to explain, in broad outlines and in connection with this bill, that our way to socialism is in accord with Marxist science, to point out the successes we have achieved on the basis of that teaching and the perspectives of further development If I refer to the calumniation of our socialist country by the Cominform, headed by the Soviet leaders, I shall do so only in connection with the theoretical distortion of that science and practical implementation of that revisionism in their own country and in the relations among socialist countries This is because the opinion had taken hold here that what was being done in the Soviet Union was the best and the only right thing and that it simply needed to be transferred here and applied in practice, no matter what the outcome We nevertheless noticed this un Marxist concept on time and went our own way

In referring to our achievements, I do not do so in order to compare them with Soviet achievements, for the Soviet Union undoubtedly had great success in economic development during the first 15—20 years (although this still does not mean everything for socialism) I am doing so in order to refute the disloyal, dishonest and thoroughly harmful criticism and propaganda aiming to deceive the world as to what is going on in our country So far, we have passed a whole series of various kinds of laws and measures, on whose basis we are building socialism But not much was said or written about them because it seemend that they were understandable in themselves It has been to our detriment that we have not given this kind of thing enough publicity abroad for we know that the world has been deafened by the terrific din of the Cominform press and radio whose aim is to deny all the facts about us

Today, the Soviet leaders and all the servile leaders of other communist parties are disputing our revolution, our hard struggle They are not only trying to deny that we are Marxists and that we are building socialism, but they also say that we are fascists There is no length to which they have not gone in blackening our name This is simply the most ordinary kind of unethical propaganda worthy of fascist mouthpieces of the type of Goebbels and others It is to be expected that it causes a certain amount of [illegible] things here because it cannot make us over to suit itself Their propaganda will never succeed in getting us to be false to ourselves, or to betray the teachings of those great thinkers Marx, Engels and Lenin To prevent anyone from thinking that we are defending ourselves with words alone, I shall bring out some of the most impor-

tant facts illustrating what we have done so far, what our country is like and where it is going

Firstly, during the Liberation War, we put an end to the old state machine as an instrument of the invaders This included a) administration, b) police and gendarmerie which were sustaining the ruling bourgeoisie, c) the remainder of the military organization of the emigre government in the person of Drazha Mihailovich's Chetniks, Pavelich's Ustasha military organization, and Rupnik's White Guards We were consistent in carry out this revolutionary work in the spirit of the principles laid down by the classics of Marxism because we applied their teaching in full measure Our Army is an entirely new one from the soldiers to the officers It is made up of workers and peasants armed in the course of the Liberation War, in the People's Revolution Its commanders, from the non commissioned officers to the generals, are workers, peasants and professionals who took part in the war, in the People's Revolution The militia and the security forces are made up of the same type of people The state administration is composed of workers, peasants and professionals, and this is especially true of the executives The executive positions in the economy are in the main held by tried and true men and women from the ranks of the professionals, workers and peasants so that it can really be said that the state power is in the hands of the working people of our country

The Cominformists will probably say that this is not true, that the Red Army liberated the country But the facts are otherwise The facts testify that we were obstructed by them during the war in our revolutionary work of realizing the achievements of the Liberation War The facts say that the foundations of our People's Government were laid in 1941, when thousands of miles lay between us and the Red Army which was at that time in retreat The facts bear witness that we

ourselves destroyed the military forces of the ruling class i e the pro fascist reactionary, bourgeois class of Yugoslavia, not with the help but in spite of the policy of our critics The facts also tell us that we ourselves destroyed the old state machinery before the arrival of the Red Army on our borders in the fall of 1944 They also prove that the peoples of our country armed themselves and so formed a force of over 7000 000 workers and peasants in arms Hundreds upon hundreds of thousands of our citizens lost their lives in that life or death struggle, fighting against the forces of occupation and the local traitors

Secondly, as soon as hostilities ceased, we proclaimed Yugoslavia a democratic, federal, people s republic During the war, we solved the national problem and this eliminated national oppression in our country This was realized by the creation of the People s Republics of Macedonia, Montenegro Croatia Bosnia and Herzegovina, Slovenia and Serbia, the work of the Communist Party which fought over twenty years to achieve this aim We solved the national question so thoroughly that it can really serve as en example not only to countries with an unsolved national question, but to the Soviet Union itself For here the nationalities really administer their own affairs and do not have Administrat on imposed upon them from with-out by a so called leading nation This is simply because we deny the existence of any sort of leading nation As soon as one allows that such a leading nation does exist this fact itself inevitably leads to national oppression and economic exploitation by the stronger nation which has a monopoly over leadership This is such a simple matter that it is not necessary to talk about it much It is easy to see in the Soviet Union today what the leading nation means for the other nationalities and what terrible consequences it can have for peoples who are forced to leave the places where they have been living not

only hundreds but thousands of years and go to regions where the climate and other conditions are murderous for them Accordingly, we have the right to pretend to being the only one of all the socialist countries which has correctly solved the national question This means that we have solved it in the spirit of Marxist science The unsocialist behavior toward various peoples in the USSR and the incorrect attitude toward national minorities in Bulgaria, Hungary, Rumania, etc confirms that Let anyone who wants to do so come and see on the spot, not only in our country but in the above mentioned countries, too where are there elements of racism and nationalism (not to say fascism) — here or in those countries ascribing such things to us

Thirdly, right after the proclamation of the Republic and the adoption of the Constitution we accomplished an historic act in laying down the foundations for the elimination of man s exploitation by man The state took the means of production from the hands of the private capitalists, we nationalized all factories, mines and other enterprises, transport means both water and land, large scale estates and trade (not only wholesale but all trade), hotels, sanatoriums, etc We did this thoroughly so that today there is not one enterprise, mine or any other institution having a public character in the hands of foreign or local capitalists All the clamor of the Cominformists about the supposed re infiltration of foreign capitalists into our country is simply an impudent lie and malicious slander When this House decides on having the working collectives take part in the management of the factories mines, railways, etc, that will be the most definitive and convincing answer to all calumniators The working people of our country will answer such slanders in the future with still greater creative energy which will develop in the factories and enterprises which

they manage They themselves will say to whom the factories and mines belong

Fourthly, we have carried out such a thorough agrarian reform that we left a maximum od 25 hectares of land in the hands of the rich peasants About 700 000 hectares were distributed to the poor and landless peasants from the fund of nationalized land, the big estates and land which was taken from the rich peasants and church on the basis of land reform

Fifth, keeping in mind that socialism cannot be built in an industrially backward country such as ours is without creating the material conditions for it, we took the state power and means of production into our hands and began creating the conditions for the victory of socialism in our country We adopted the Five Year Plan for the industrialization and electrification of the country That is really our hardest task but we are nevertheless carrying it out successfully Testimony to this are the hundreds of new factories and enterprises, railways, modern roads, new schools, scientific institutions, etc

What does all this mean? Does it mean fascism or socialism? And what do some of our other laws mean, like the Law Prohibiting Incitement of National, Racial or Religious Hatreds and Dissension under which strict punishment is meted out to all violators Has any fascist country ever had such a law?

Then there are the Law on Confiscation of War Profits Made During the Enemy Occupation, the Law of Nationalization of Private Economic Enterprises, the Law on Transfer of Enemy Property to the State — and this enemy was not only the collaborator but also the class enemy, the Law on Confiscation of Enemy Property and Implementation of Confiscation, the Basic Law on Expropriation the Basic Law on Cooperatives the Law on Transition to Socialist Economy in the Villages, the Law on Agrarian Reform

and Land Settlement, the Law on Final Liquidation of Agricaultural Debts, the Law on Insurance of Workers, Employees and Their Families for which the state has undertaken the insurance, the Law on People's Committees which are the foundation of the people's power, the Law on the Five Year Plan, as a pre condition for the development of socialism in our country

Almost all our laws have been adopted in that spirit which is also true of their application Do these laws, from the legal point of view, too, provide our country with socialist features? Of course they do, and at the same time they are facts refuting all attacks on, and slanders of, our country

These few facts, which are the most important ones historically, throw a clear light on the character of our revolution, our social order They show that our way conforms with Marxist science, that it is successful and will bring victory When I say that our way conforms with Marxist science, I do not mean that this is the only way to socialism and that exactly the same must be done in all countries We simply think it is the only way for us here in Yugoslavia Varying economic, cultural and other conditions in different countries also demand varying forms It is not advisable to use any ready prescriptions or ste reotypes We have Marxist science as a basis and we only need to know how to use that science in practice, to bring its spirit and its meaning to life The expe rience we gain on the basis of that science is the best school Of course, that experience may be used by others, but not in all details It is necessary to take a look at the positive results attained in a socialist coun try and then seek the most suitable methods to achieve those results It is similarly necessary to see the nega- tive things in a socialist country and to endeavour to avoid them, to find the best way to do so On the other hand, when communists criticize the weaknesses and

shortcomings in other socialist countries, they must base that criticism primarily on the special conditions existing in that respective country and not on those existing in their own They must see roots of such shortcomings, separate the subjective from the objective weaknesses and then criticize the subjective insofar as the leaders of that country themselves do not see, and do not correct, such shortcomings and mistakes I have brought this up so that we do not *make the same error being made by the leading com*munists in many countries, not only in the East but throughout the world

It is a great tragedy not only for the working class but for the entire progressive movement throughout the world in general that the leaders of a party, the Soviet Communist Party, have succeeded in fettering the minds of the leaders of other parties They succeeded in doing so because they made use of the authority of the Great October Revolution — an achievement of the great Lenin Of course, one of the reasons pertinent here is also a crisis of many years standing that has held sway since before the war in the workers' movements of many countries in the world. But it never occurs to any of those people to look for the cause of the crisis In consequence of the weakness of the workers' movements, the leaders look with increasing awe and respect at everything the Soviet leaders say or do, thus creating unreachable authorities and gods, such as was once [illegible]

[illegible] today can be seen and heard They expect help from this authority brought in on the bayonets of others Should a courageous investigation of these weaknesses be made, certainly many of the roots of the trouble would lead right up to those who pretend to infallibility It would certainly be

and Land Settlement, the Law on Final Liquidation of Agricaultural Debts, the Law on Insurance of Workers, Employees and Their Families for which the state has undertaken the insurance, the Law on People's Committees which are the foundation of the people's power, the Law on the Five Year Plan, as a pre condition for the development of socialism in our country

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ence had convinced us that, without mass participation of the working class and its self sacrificing efforts, there can be no success in an insurrection The workers — communists and youth, were best represented in these proletarian brigades The working class considered them its shock detachments which, together with the peasants, were determining the future of the working class And instead of this frightening our peoples as those outside thought it would, quite the opposite happened It caused the people to have more faith than ever in the Communist Party of Yugoslavia, brought the Party even closer to the people in common sufferings We did not take such criticism to heart, and it is a good thing we did not as it later turned out When we were making preparations for the Second Session of the Anti-fascist Council of the National Liberation of Yugoslavia in Jajce we again asked no one for permission for we knew that obstacles would be put in our way, and we were right When everything was over and done with, we informed them of the accomplished fact They answered that we had thrust a knife in their back Our peoples carried out a historic feat a feat that was the result of superhuman efforts, fighting against the forces of occupation and their local, traitorous ruling circles, meaning the

We thus assured

and realization of

nd they called this sticking a knife in their back There were similar cases before and after but we took all the more important steps on the basis of our own appraisal of the situation and the suitability of the moment

It would be altogether unaccurate to draw the conclusion that we were considering only the interests

proven that dictation and stereotypes have in the past and today, too, been the main reason for the weakness of progressive movements in the world It is precisely these 'infallible authorities that are the brake on the co rect development of the progressive world in general causing people in the communist movements to deviate to a road of revisionism and thereby weakening the workers movement in the world

Let us take our own experience as an example While our Party was getting orders from abroad as to what it should do and how, we had a weak, numerically small party, torn by internal factional struggles, set aparat not only from the broad masses of the peoples but also from the majority of the working class But, from 1936 on as soon as we had less directives from abroad, our Party began developing faster and faster and became the leader of the broad working masses When we were preparing for the uprising, we got no orders from outside but worked on our own, on the basis of our own appraisal of the situation — and we were not deceived We asked no one whether or not to rise against the fascists, but started fighting them immediately on the basis of our own estimate of the situation — as soon as we saw that the time had come for it In 1941, in Uzhice, when we started setting up our people's government, we luckily had no connections with Moscow so that we were able to lay down the first foundations for it, on the basis of which we are now building socialism After withdrawing from Serbia in 1941, we began forming our proletarian brigades, asking no one for permission to do so (nor could we have done so, for we had no liaison with anyone) As soon as we were in a position to inform the leaders in Moscow of this they immediately started attacking and criticizing us for having done what we did They did not want to understand that we formed proletarian brigades then when the insurrection in the most important regions was being threatened

withering away, b) the relationship of the party to the state, c) the question of the lower phase of communism, or, as it is called today, socialism, d) the question of state or socialist ownership

Let us first take the example of our country As I have mentioned above, we destroyed the old state machinery and created a new, peoples state apparatus, without which the working people of our country would not be in a position to retain power in their hands and carry out the expropriation of the means of production and many other revolutionary acts absolutely necessary for the triumph of socialism in a country

Lenin said 'The proletariat needs state power, a centralized organization of power, an organized force for suppressing the resistance of the exploiters and for leadership of the great masses of the population, peasants, petty bourgeoisie, semi proletariat, and also for the establishment of socialist ownership' (Lenin "State and Revolution" page 142, Russian edition, free translation) "But it should not be forgotten", says Lenin, quoting Marx "That the proletariat needs only the state which is withering away"

That is how Lenin refers to this matter And what does the bourgeoisie need? The bourgeoisie, the exploiting class, needs the state as a permanent force for maintaining the exploited classes in subjection, meaning the majority of the people The bourgeoisie does not contemplate the weakening of the state machinery, to say nothing of its withering away, for it considers its system, the system of exploitation, immortal and perfect Accodingly, the difference between the bourgeois state, no matter how disguised it may be by a democratic screen, and our state, for instance, is that the bourgeois state, an apparatus of force in the hands of a minority, meaning the class exploiter, oppresses the majority of the people and has the tendency to increase in strength Here, although

of our own country and not the interests of strengthening of the international workers' movement Only those who are attempting to distort and interpret in their own way, or rather deny, the brave struggle of our people can talk that way Of course, sometimes we took their advice, too, and that turned out to be all right to a certain extent But in some cases, we were only harmed in doing so because their advice was not in the interests of our socialist country

First of all, I should like to make an accurate appraisal of the essence of our road to socialism Is it something new requiring theoretical explanation, something that would negate the correctness of Marxist science in the present stage, at least along some lines? Of course it is not The essence of our road to socialism, or better said to communism, can be defined in a few words our road to socialism consists in the application of Marxist science to the given stage, in the closest possible harmony with the specific conditions existing in our country For us, that science is not a dogma but a means of leadership, a means for orientation in every concrete situation regardless of how complicated it may be We are endeavoring to introduce the spirit of that science into everything we do, for we are deeply convinced that this is correct It has turned out in practice that the principles of this science are correct, thanks to the brilliant scientific forecasts of our great teachers And in the present stage of international development, they are fully valid Any departure from these principles under any excuse whatsoever would mean revision and betrayal of not only the working class but all progressive mankind

What are the theoretical differences between ourselves and the Soviet Union? In order to answer that question even partially, it is necessary to consider what we are doing and what they are doing in the light of the science of Marxism Leninism, that is a) the role of the state in the transition period and its

turning over the factories and other economic enterprises to the workers so that they may manage them Since the Soviet leaders consider state ownership as the highest form of social ownership, the fact that *they have not turned* over the means of production to the workers to manage probably issues from such a conception of state ownership Besides, this is altogether in accordance with the strengthening of their state machine. That is also a fact that anyone can ascertain for themselves, if they want to learn the truth

In speaking of the 31 years that have passed since the Revolution, we are not making the slow tempo of economic development and creation of material conditions for socialism the main targets of criticism of the Soviet Union To do that, without taking into consideration all the factors conditioning [illegible]

[illegible] degree, when [illegible] ngs were so highly developed that their passing over *into social* ownership was imperative We know that the Soviet government inherited one of the most backward industrial countries, and that, therefore, it was necessary *to create* the material conditions for socialism, which already exist in highly developed capitalist countries *This cannot be achieved* rapidly But, on the other hand, the state cannot keep all functions — including the *economy* — in its hands until it reaches that high degree of industrialization and creates all the necessary material and other conditions for *socialism Only* those who want to revise the teachings on withering away of the state can put things that way Such people also think that socialism can be achieved in leaps and bounds and that exact

the state has the job of restraining the minority of exploiters and enemies of new Yugoslavia it is gradually dying away, for its functions, primarily in the economy, are gradually being transferred to the working people

According to Marxist science the state is a product of 'class conflicts', and it will wither away when classes disappear, when there is no longer anyone to suppress or any reason to suppress them

Where is the beginning of this withering away process in our country? I shall mention only the following examples First decentralization of the state administration especially in economy Secondly, turning over the factories and economic enterprises in general to the working collectives to manage themselves, etc The decentralization of economy and political, cultural and other aspects of life is not only profoundly democratic but has inherent in it the seeds of withering away not only of centralism but of the state in general as a machine of force This is a fact which anyone can check on here if they want to

How do things look in the Soviet Union thirty one years after the October Revolution? The October Revolution made it possible for the state to take the means of production into its hands But these means are still, after 31 years in the hands of the state Has the slogan 'the factories for the workers' been put into practice? Of course not The workers still do not have any say in the management of the factories They are managed by directors who are appointed by the state, that is by civil service employees The workers only have the possibility and the right to work but this is not very different from the role of the workers in capitalist countries The only difference for workers is that there is no unemployment in the Soviet Union and that is all Therefore, the leaders of the Soviet Union have *not, so far, put through* one of the most characteristic measures of a socialist state that of

Such centralism is a feature of the most express type of centralistic, bourgeois state Lenin said „Centralistic state power, typical of bourgeois society, emerged in the epoch of the decline of absolutism' (Lenin, „The State and the Revolution", page 144, Russian edition, free translation)

Whence this centralism and stagnation in the development of the Soviet Union towards socialism? It issues from the Soviet leaders' interpretation of the teachings of Marx and Lenin on the state Stalin has another point of view on the withering away of the state Marx, Engels and Lenin taught that the state begins withering away at that moment when the proletariat comes to power Of course, this means that the proletariat should really be in power in every respect This withering away of the state begins first of all in , its economic functions", in management of production by the producers in gradual transition of economic functions from the state to the working collectives, not in leaps and bounds, all at once, but gradually, to avoid anarchy

, As soon as there is no longer any class of society to be held in subjection, as long as, along with class domination and the struggle for individual existence based on the former anarchy of production, the collisions and excesses arising from these have also been abolished, there is nothing more to be repressed which would make a special repressive force, a state, necessary The first act in which the state really comes forward as the representative of society as a whole — the taking possession of the means of pro duction in the name of society — is at the same time its last independent act as a state The interference of the state power in social relations becomes super fluous in one sphere after another, and then ceases of itself The government of persons is replaced by the administration of things and the direction of the process of production The state is not 'abolished, it

lines can be drawn determining the lower and higher phases of communism We are criticizing something else Firstly, the method of management which obstructs the rapid development of economy in the Soviet Union, for if the methods were better then the achievements of economic development in the USSR would be greater today Secondly, we are criticizing the methods of education in the USSR and thirdly, their concepts of the role of big nations, and so on

What about the withering away of the state in the Soviet Union? (Here the state is considered not as a geographic or national concept for it is not identical with administration) Are there any tendencies in that country to turn over the state functions, either economic or political, to the lower organs? Are there any signs of decentralization? So far there have been none On the contrary, there is increasingly inflexible centralism which is a feature of the most outspoken bourgeois bureaucratic, centralistic state The most obvious signs of such centralization are a) concentration of all economic, political, cultural and other functions in one center, b) a tremendous bureaucratic apparatus, c) increase instead of decrease of the internal armed forces of the state apparatus like the militia, Ministry of Internal Affairs, NKVD, etc I might mention that so far the only state function that still does not come into consideration for withering away is the Army because the degree of its increase or decrease depends on external circumstances, on the degree of danger threatening a socialist country from outside, of its peaceful building of socialism and its very existence being threatened But this function can only come into consideration as a means of defending a socialist country and in no case for aggression against anyone whomsoever It would lose its socialist character and take on imperialist features if it should want to invade other territories and suppress other peoples

of economic organization and cultural education by the state organs also remained and was developed to the full This is the way Stalin treated the question

way he described 1939 In 1939 it

nion was entirely

surrounded by capitalist countries But after the Second World War, when a whole series of new socialist states emerged in the proximity of the Soviet Union there could no longer be any question of the capitalist encirclement of the Soviet Union To say that the functions of the state as an armed force not only of the army but also the so-called punitive organs are directed only outwards means talking with no connection with reality, just as it has no connection with the present situation in the Soviet Union What is the tremendous bureaucratic, centralistic apparatus doing? Are its functions directed outwards? What are the NKVD and the militia doing? Are their functions directed outwards? Who deports millions of citizens of various nationalities to Siberia and the Far North? Can anyone claim that these are measures against the class enemy, can anyone say that whole nations are a class to be destroyed? Who is obstructing the struggle of opinions in the Soviet Union? Is not all this being done by one of the most centralized, most bureaucratic state apparatuses which bears no resemblance whatsoever to a state machine that is withering away? Stalin is right in one thing here if it is applied to the present period and th

really has

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aimed where they are necessary and where they are not They are directed at interfering in the internal affairs of other countries and against the will of the people of those countries Therefore, these are least of all the functions of a socialist state that is withering away but rather resemble the functions of an imperialist state machine which is fighting for spheres of

withers away". (F Engels, "Anti-Duhring", p 308—309 English edition)

These are the teachings of Marx and Engels But what did Stalin say at the Thirteenth Congress of the Soviet Communist Party in 1939? First of all, he added two conditions to Engels' formulation on the withering away of the state, saying

"Is this proposition of Engels' correct"?

"Yes, it is correct but only on one of two conditions (1) if we study the Socialist state only from the angle of the internal development of the country, abstracting ourselves in advance from the international factor, isolating, for the convenience of investigation, the country and the state from the international situation, or, (2) if we assume that Socialism is already victorious in all countries, or in the majority of countries, that a Socialist encirclement exists instead of a capitalist encirclement, that there is no more danger of foreign attack, and that there is no more need to strengthen the Army and the state" Right after that, he says that the function of the state "as the organizer of the economy" remains and that the Soviet state has no internal but only external functions He stated "The principal task of this period (referring to the second period of Soviet development) was to establish the Socialist economic system all over the country and to eliminate the last remnants of the capitalist elements, to bring about a cultural revolution, and to form a thoroughly modern army for the defense of the country And the functions of our Socialist state changed accordingly The function of military suppression inside the country ceased, died away; for exploitation had been abolished, there were no more exploiters left, and so there was no one to suppress" And further "As for our army, punitive organs, and intelligence service, their edge is no longer turned to the inside of the country but to the outside, against external enemies" *"The function*

ered that the higher phase communism has been reached This is no joke but rather the sad truth for everyone knows that in 1948 Molotov announced that they were entering a higher phase of communism

Here is how Marx defined the passage into the higher phase In a higher phase of communist society after the enslaving subordination of individuals under division of labor and therewith also the antithesis between mental and physical labor has vanished, after labor has become not merely a means to live but has become itself the primary necessity of life after the productive forces have also increased with the all round development of the individual and all the springs of cooperative wealth flow more abundantly — only then can the narrow horizon of bourgeois right be fully left behind and society inscribe on its banner from each according to his ability to each according to his needs (Critique of the Gotha Program Selected Works of Karl Marx p 566 English edition)

That is how matters stand with the higher phase of communism The Soviet Union is still very very far from that and of course so are we

There have been people who think that the problem of management of the means of production is solved simply by appointing the best workers directors or managers Such a measure is a good thing because we get people in those positions in whom we can have faith In whom the state of the working people can have faith Through such worker directors who emerged from the ranks of the working people them selves the people s state can keep a better check on the running of business Such a director also under stands the needs of the workers better and will con cern himself with them He will also take good care of the state meaning the people s property This was the most urgent measure connected with the state s taking over of the means of production But of course things cannot rema n at this point if we want to avoid

influence and the subjugation of other peoples

Further, how does Stalin present the question of the role of the Party in relation to the State? In his works he never determined the role of the Party in the first phase of communism, i e in socialism He reduces the role of the Party to administration of a state apparatus that still bears the stamp of class society Therefore, it is no wonder that the Party in the Soviet Union is becoming more and more bureaucratic and is growing to be part and parcel of the bureaucratic state apparatus, becoming identified with it, and simply a part of it It is therefore losing all contact with the people and with those things which should be occupying it Its duty is to be the organizer and most active participant in all political, cultural and economic actions, to take active part in all fields of social activity and to keep a check on the same, to increase the creative enthusiasm of the masses by its own example To reduce the role of the Party to being a part of the bureaucratic apparatus, a part of the state machinery of coercion, for the implementation of various enforced measures — all th s is contrary to the teaching of Lenin on the role of the Party in the first, transitional period as leader and educator, and not persecutor This stereotyped concept was beginning to take hold here, too, but we undertook the necessary measures and will keep a strict lookout for any such thing here

And how do the Soviet leaders treat the question of development into communism? Nowhere does Marxism speak about reaching communism by way of leaps and bounds although two phases are referred to the lower and the higher phase of communism *which represents a whole in which the transition to* communism is gradually brought about There is reference to gradual development to a higher phase communism, after the proletariat has taken the state power Nevertheless the Soviet leaders put matters *as though they can determine when it is to be consid*

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the many inconveniences which might crop up from this over a long period of time. That is one thing. The second is that the slogan "the factories for the workers" has still not been realized nor could the idea of the withering away of state functions in economy be realized this way either.

As I have already pointed out, the draft of the bill we are considering is of tremendous importance for the further correct development of our socialist country but it still does not solve the question. It is simply one step further toward communism. The state functions in the management of economy are not yet ceasing completely, but they are no longer the exclusive factor. They are getting weaker because the working people are being drawn into the management. They are being drawn in gradually, and not all at once. That means they, as the producers, are getting their rights to manage production. Why is this being done gradually, and not all at once? How long will this gradual process unfold? No answer as to the exact length of time can be given because this depends on various circumstances. It depends on the pace of cultural development, meaning the extensive training of the workers so that they may be capable in every way of running factories, mines, transport, etc., successfully for the benefit of the community. Without that the workers would not be capable of keeping a check on the production. Without cultural advancement, the workers would not be able to get sufficient technical knowledge for management. This depends on the tempo of development of production forces, etc.

This cultural advancement of the working people is all the more important in our country, and represents one of its most difficult problems, because our country was one of the most backward in Europe as regards the degree of development of production forces. Our industry has just begun to develop in full swing. Therefore, the pace with which all the functions of management in the economy are transferred to the

working people depends on the tempo of development of production forces This, in turn, depends on the workers themselves, on their production of consumer commodities, on their economizing rather than wasting, etc Lenin said "Communism begins where there is self sacrificing mastery of hard work, concern by the ordinary workers for the productivity of labor, for watching over every pood of wheat, coal, iron and other products which are not for them personally, or for their "near" or "far" relatives, but for all of society" (Lenin, Book XXIV, p 142, Russian edition — free translation)

Why I am giving first place to the necessity of cultural advancement? If we take a look at the number of industrial workers in the old Yugoslavia the number there are today, and the number there will be tomorrow, it is not hard to guess at the crux of the matter Who is entering the industrial and other enterprises today? Peasants Therefore, there is a tremendous number of peasants, semi peasants, and semi workers coming into the enterprises today and they must first be trained as workers and then educated as workers managers That is neither a short nor an easy task and must be approached with the utmost seriousness, patience and energy In educating these new workers, we have enough to do to eliminate the alien conceptions of many of the workers regarding their duties as workers, their relationship to the state, that is, to the people's property, etc

Let us simply take the fact that we are constructing a great many projects, even the biggest ones, in the most backward parts of the country, such as Bosnia, Sandzak, Macedonia, Kosovo and Metohiya, Lika Montenegro, etc Up to now, there had been very little or no industry at all there And who is to work in those factories mines and other ent[illegible]
The peasants fro[illegible]
peasants in thes[illegible]
and they will [illegible] these factories and mines.

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for the capitalists' pockets for this the bureaucrats also got their little cut Only the workers will manage these factories and mines in our country They themselves will determine how to work and how long, they will know why they are working and what the results of their labor will be used for In order to be able to introduce this system everywhere throughout the country, we must work persistently to overcome its backwardness, to help the semi peasants rise to the level of the conscious industrial workers, who will understand their own duties and their rights as builders of socialism

We see, therefore, that there are great difficulties on the road of building communism in a backward country, as ours is, for instance What should we do then? Should we wait for all workers to be equally intelligent and capable of managing enterprises? Of course not, because we should have to wait a long, long time In the process of management, in the unceasing process of labor and running the enterprises, all the workers will gain exper ence They will become acquainted not only with the process of work but also with all the problems of their enterprise It is only through practice that the workers will learn to make use of records to learn how much material they may use and how much they can save, to see what the surplus of their labor goes for and what it is used for They will find out what the share of accumulation of *their* enterprise must be as a part of planned accumu lation in general, and how much they can raise their standard of living They must know how much and at what a pace they can increase the productivity of labor, etc They will unconditionally have to become acquainted with work discipline, because from that moment when the working people take upon themselves the responsibility of participating in the management of economy, the problem of labor discipline becomes their first duty

From poor peasants who have for centuries been vegetating at the lowest possible cultural level and standard of living, they are to become conscious workers builders of a better life for themselves and the whole socialist community This will not be an easy or a rapid process We are conscious of that, for we already have considerable experience in how hard it is train a semi peasant or semi worker into a conscious and disciplined industrial worker Great efforts are necessary to achieve this and it must be shown to these semi workers that in our socialist country they become not only producers in industry mining etc but also the owners of the means of production They must be shown that in entering the factories mines and other enterprises they have at the same time become their owners It is not that little piece of unfertile land which never could offer them a life worthy of man but the factories mines and other things that will give them a better life than they and their ancestors had Why is it necessary for semi peasants and semi workers to become conscious industrial workers? It is necessary in the first place, because we are building many factories and enterprises, more and more mines are being opened in a word, we are industrializing our socialist country to make it richer, to make the unexploited wealth accessible to all the citizens of our country so that the people can make use of these riches etc So that these factories, mines etc can be put into operation we need workers who will be capable of mastering new modern techniques Such modern techniques cannot be mastered by semi peasants thinking more of their parcel of unfertile land than of the contemporary means of production which are no longer private and capitalist, but the social property of the entire community They are no longer managed by capitalists or their well paid and faithful employees and bureaucrats who cared only for the interests of the capitalists and for squeezing as much profit as possible out of the workers

not only impossible but was impeded by the laws themselves The best bourgeois republic, no matter how democratic it may be, has thousands of legal obstructions preventing the working people from participating in administration Besides the laws, there is also the cultural level which cannot be surbordinated to any law This low cultural level makes the Soviets which, on the basis of their program should be the organs of administration through the working people, actually organs of administrat on for the workers through the progressive part of the proletariat and not through the mass of workers" (Lenin, Vol 24, page 145, Russian edition, free translation) This is due to the cultural backwardness to which Lenin refers and therein lies the danger of bureaucratization of administration

From Lenin, we see that bureaucracy flowers especially where backwardness is widespread This words show us where we are to seek the roots of bureaucracy Does that not show that bureaucracy flowers there where people are still not conscious of their rights of keeping check on and fighting determinedly against, all bureaucratic procedures, where people are still not conscious that bureaucracy is a harmful thing for socialism which cannot simply be uprooted by decree from above but must be fought by every conscious person in every day practice It is wrong to think that bureaucracy can take hold only in high institutions and that it is harder for it to insinuate itself into the lower ones Bureaucracy can penetrate down to the lowest state and economic administrate organs if it is not fought Of *course, it is a tragedy* for a socialist country if bureaucracy takes hold from the highest to the lowest institutions, if the top executives do not see and do not want to see the harm it is doing In order to suppress bureaucracy successfully it is not enough to undertake measures only at the top, in the highest institutions, and to think that it is not dangerous below It is very

It will be an especially important thing for the workers councils to see to it that the labor force is distributed as rationally as possible not to allow unnecessary and unproductive manpower to sit around the factories doing nothing This means that they should cut down on bureaucracy and administration because otherwise they would simply be raising the costs of production and lowering the lucrativeness of *their enterprise at the expense of their entire collec*tive It is necessary to know how to differentiate between the need for specialists and superfluous administrative unproductive machinery

By turning over the factories mines etc to the workers to manage we will make it impossible for an infectious disease to take hold there a disease bearing the name of bureaucracy This disease is unbelievably easily and rapidly carried over from bourgeois society and it is dangerous in the transition period Like a polyp thousands of tentacles it obstructs and impedes the correct and rapid process of development Bureaucracy is among the biggest enemies of socialism pre*cisely because it insinuates itself unnoticed into all* the pores of social activity and people are not conscious of it in the beginning It would be erroneous to think that bureaucracy has not taken root in our country too It has begun worming its way into various institutions into the state apparatus and into the economy but we are conscious of that and have already undertaken a whole series of measures to render in impossible It is not enough simply to undertake periodical drives against it but to wage incessant struggle and to educate people

Lenin says that technical and cultural backwardness is the most fertile ground for bureaucracy but at the only way to fight successfully against bureaucracy
the only wy to fight successfully against bureaucracy
'To fight against bureaucracy until the end to full victory over it is possible if the whole population takes part in it In the bourgeois republics *that was*

As far as the participation of workers in the management of enterprises, or production, is concerned, the trade unions' task of protecting the workers' interests weakens to a certain extent Now, these matters are decided by the workers themselves through their councils, that is, through the management boards in production This also facilitates the two fold role of the trade unions which on the one hand had to protect the interests of the workers and on the other, also had to keep track of the interests of the people's state, of the whole, of the entire community The work of the trade unions will also be eased by the fact of the workers becoming acquainted with the process of management of production, with all its problems, with accumulation, cost of production, and various difficulties which the directors or rather, the former boards and trade unions had to face alone before In any case, this will contribute a great deal to the stabilization of work discipline in the factories, mines and other enterprises

The bill shows that the workers take over the functions of management in the most democratic way The workers in the factories, mines and enterprises by secret ballot, directly elect the workers' councils These workers' councils and the management board, which is elected by the members of the council, must have the full support of the trade unions To make this possible, the [illegible] also include repre- [illegible] orkers and employees [illegible] also bear their part [illegible] gement, instead of simply being advisory bodies without any particular competence, or responsible duties

This Bill is one of the most democratic acts ever brought forward here Its substance is a reflection of socialist realities in our country Let us take a look only at the duties and rights of workers' councils Article 23 says 'The workers' council of an enter-

dangerous below, as our experience has shown us Therefore, bureaucracy is dangerous in the administrative machinery of the republics, the regions, the districts and municipalities, and in the running of various kinds of commercial and other economic institutions With the help of the masses, we must fight against it and not allow this phenomenon so harmful to socialism to spread

Today, when not only the state administration but the whole economy is in the hands of the people, the people must keep an alert check on the work of those who are appointed to administrative posts to see that they are doing their duty for the benefit of the socialist community The working collectives and their councils, which will run the factories, mines, etc, will have the very important task of making it impossible for bureaucratic methods to be used in management

ROLE OF TRADE UNIONS

The role of the trade unions under new conditions where the working people are taking part in the management is somewhat altered Their functions are now directed mainly toward the most important problem in trade union work — the training and all-round cultural advancement of the working people The work of the trade unions is aimed at helping the new workers, that is, the former peasants, through persistent work by the trade unions and under the leadership of the Party, get rid of their "small-owner" habits as quickly as possible, and advance rapidly to the level of the most conscious workers with a new, socialist relationship toward the means of production, toward the factories, mines, social ownership, toward work These new workers must be educated as quickly as possible to be tireless and self-sacrificing builders of communist society, meaning a better and happier life for all working people

and the promotion of workers and employees, on work protection and social insurance and of improvement of the living standard of workers and employees in the enterprise, discusses and decides on a plan of annual vacations for the workers and employees in the enterprise, takes measures to protect and make correct use of national property under the management of the enterprise and measures to discover, prevent and eliminate cases of damage, waste and other forms of unconscientious behavior toward state property

The management board of the enterprise is responsible for the fulfillment of the plan and the correct running of the enterprise"

These two articles of the Bill demonstrate what kind of functions in production are being transferred to the working collective These were formally in the competence of the state and were carried out through its representatives with a certain degree of participation by the trade unions

From now on, the state ownership of the means of production — factories, mines, railways — is passing gradually on to a higher form of socialist ownership State ownership is the lowest form of social ownership, and not the highest as the leaders of the USSR consider it to be Therein lies our road to socialism and that is the only right road as regards the withering away of state functions in the economy Let the Cominformists remember that their slanderous hue and cry cannot obscure the correctness of our building of socialism

On the other hand, this bill on the participation of working collectives, of our working people, in the management of the economy of our country is the best answer to the question of where there is true democracy — here in our country, or in the much praised and lauded western democracy In our country, democracy is based on a material basis for the broadest masses of working people It is felt by the masses, they are making use of it to build a better

prise approves the plans and the closing accounts of an enterprise, makes decisions on the management of an enterprise and the fulfillment of the economic plan, elects, recalls, and changes the management board of the enterprise or its members individually, draws up the regulations for the enterprise with the approval of the management board of the higher economic association, or the competent state body, discusses reports on the work of the management board and makes decisions regarding approval of their work, discusses various measures undertaken by the *management board and makes decisions on them,* distributes that part of the accumulation remaining at the disposal of the enterprise, or working collective'

Article 27 refers to the duties of the management board of the enterprise 'The management board of an enterprise draws up drafts of the basic plans of the enterprise, draws up the monthly operative plans; sees that the enterprise is run correctly, makes proposals for the internal organization of the enterprise and classification of jobs, makes suggestions for rules regulating work in the enterprise and undertakes measures to improve work discipline, makes decisions on the appointment of employees to executive positions in the enterprise, makes decisions on the complaints registered by workers and employees regarding their jobs and the internal distribution of work, undertakes steps to improve the production of the enterprise, especially as regards rationalization of production, increasing labor productivity lowering the costs of production, improving the quality of the products, taking economy measures, decreasing waste, makes decisions on work norms in the enterprises, decides on proclamation of shockworkers, and the proposals of worker inventors, takes steps to raise the technical knowledge of the workers and employees of the enterprise and their correct assignment to jobs, concerns itself with the correct application of regulations on labor relations in the enterprise, on salaries, wages,

government Everything that is being done and built here has one purpose to make our workers happier, to give them better living conditions The workers of town and country are masters of the present and of a better future for themselves How rapidly that better future comes when it will no longer be necessary for people to make such great efforts, depends on the working people of town and country themselves, on their persistence, self sacrifice and patience It depends on how hard they work, on there being fewer people just standing aside, on everyone's giving something of himself to the daily struggle for the fulfillment of the Five Year Plan, for increasing the productivity of labor, for producing the best possible consumers' goods for the citizens of our socialist country The peasants in the cooperatives which they run themselves, and the workers in the factories, which they will from now on be managing themselves, today really have their destinies in their own hands

and happier future for all the working people of our country This is an answer to those in the West who talk so much about there being no real democracy in our country, that we have a police state here, etc, who like to talk about our scarcities, about the things we do not have, and so on It is true that we still lack many things for we are not yet in a position to produce the means for making them, to produce enough consumers' goods, enough of everything making life better for people and raising their standard of living But we are on the road to doing so, and we will do so, but not only for a minority as is the case in the West What good is it that the stores in the West are full of things that people can only wish for, who there today can satisfy their desires to purchase all that? Only a very small number of people The ruling class can satisfy itself but not the great majority of the working people Therefore that is democracy for a minority, because the working people who barely earn enough to live or the unemployed workers and employees have nothing of the kind of democracy which deprives them of the fruits of their labors and maintains them only so that they can support other physically capable persons and assure them a rich existence We, however, are working so that all those who labor can enjoy the fruits of their labor and that is the material essence of our democracy

We are conscious of the fact that we shall have not a little difficulty until our workers overcome all the hardships issuing from our backwardness But we may be certain that our workers will see all these difficulties through because they are conscious that the building of socialism is their own cause that it can be realized only by their own persistent, self-sacrificing, creative efforts

From the very beginning our people s government has shown the greatest concern for the working people, for the people of our country in general If it were not to do so, it would no longer be a people's

EXCERPT FROM THE BASIC LAW ON MANAGEMENT OF STATE ECONOMIC ENTERPRISES AND HIGHER ECONOMIC ASSOCIATIONS BY THE WORKERS' COLLECTIVES

On June 26th, 1950, the Yugoslav Federal Assembly passed the Basic Law on Management of State Economic Enterprises and Higher Economic Associations by the Workers' Collectives

Fundamental Principles

The factories, mines, communications, transport, trade, agricultural, forestry, municipal and other state economic enterprises, as national property, are to be managed by the workers' collectives in the name of the community, within the scope of the state economic plan

The workers' collectives will manage such enterprises through the workers' councils and management boards of the enterprises and the workers' councils and management boards of the higher economic enterprises, amalgamating several economic units

The workers councils of the enterprises and of the higher economic associations are to be elected and recalled by the workers' collectives

In smaller enterprises, the workers' council is made up of the entire working collective

The workers' council is elected for a period of one year

The workers' council, and its individual members, may be recalled before their term is up

or competent state organ if the enterprise is not amalgamated, while the director of a higher economic association will be appointed by the competent state organ

The workers' council or the management board may recommend the removal of the director of an enterprise

The director is a member of the management board

The director of an enterprise is responsible to the management board of the enterprise, and the management board and director of the higher economic association, as well as to the competent state body, while the director of a higher economic association is responsible to the management board and the competent state organ

Workers' Councils of the Enterprises

The workers' council of an enterprise is elected by universal, equal and direct voting, by way of the secret ballot

All workers who have concluded labor contracts according to the existing regulations, and all technical personnel, engineers and other employees of the enterprise have the right to vote for the workers councils

Voting is to be effected by ballot

Every ballot contains the names of the proposed candidates on the respective list

Each voter receives as many ballots as there are lists of candidates

Each voter has the right to cross out the names of the candidates on a proposed list and enter the names of other candidates who are workers or employees of that enterprise having the right to vote

The voter puts the candidate list for which he will not vote on a specific place in the special quarters set aside for filling out the ballots

The workers' council, as representative of the workers' collective, elects and recalls the management board and has other rights determined by the Law

The management board of the economic enterprises, or of the higher economic associations, runs the business and is responsible to the workers' council and competent state organ, while the management board of the enterprise is also responsible to the management board of the higher economic association

The management board operates on the basis of the Law and other legal regulations, the decisions of the workers' council, and directives from the competent state organs, or the management board of the higher economic association

The management board is elected for a term of *one year*

Only one third of the members of the management board holding office during the previous year may be elected to the new management board

No one can be a member of the management board more than twice running

During their term of office on the management boards, the members remain at their regular jobs in the enterprises

The members of the management board receive no pay for their work on it

The labor contract of a member of the management board may not be cancelled during his term of office, nor can he be transferred without his consent

The director of the enterprise, and the director of the association, manage the production and other affairs of the enterprise and the higher economic association respectively

Until the Law determines otherwise, and for the purpose of securing the correct technical direction of the enterprise and higher economic association, the director of the enterprise will be appointed by the management board of the higher economic association.

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The voter folds the list containing the names of the candidates for whom he is voting and puts it in the ballot box before the electoral council.

Those candidates who receive the greatest number of votes on those lists for which the majority of workers and employees cast their ballots are then considered elected to the post of member of the workers' council.

The workers' council chooses its chairman from its own members.

A member of the management board cannot be chairman of the workers' council.

Meetings of the workers' council are convened by, and presided over, the chairman of the council.

Meetings of the workers' councils are to be held at least once in six weeks.

The chairman must convene a meeting of the workers' council at the request of the management board of the enterprise, the trade unions, one third of the members of the workers' council, or the director.

The workers' council has full authority to decide matters if attended by over half the members.

Decisions of the workers' councils are made by the majority of those members present.

Workers' councils of the enterprises:

approve the basic plans and final accounts of the enterprise;

make decisions on the management of the enterprise and fulfillment of the economic plan;

elect, recall and change the management boards of the enterprise or its individual members;

make the rules of the enterprise, with the approval of the management board of the higher economic association, or of the competent state organ;

discuss reports on the work of the management board and make decisions on, and approve of, its work;

discuss the various measures of the management board and make decisions on them,

distribute that part of the accumulation remaining at the disposal of the enterprise, that is, of the working collective

Management Board of Enterprise

The management board of an enterprise is made up of from 3 to 11 members, including the director in that number

The number of members in the management board of each enterprise is determined by the rules of the enterprise, depending on its size and structure

At least three fourths of the members of the management board must be workers who are engaged directly in production, meaning in the basic economic activity of the enterprise, while the other members of the management board are chosen from the technical personnel, engineers and other employees

The management board of an enterprise

draws up the proposals for the basic plan of the enterprise,

draws up the monthly operative plans,

sees that "

draws up

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of jobs,

draws up a draft of rules and regulations in the enterprise and takes measures for increasing work discipline,

makes decisions on the appointment of employees to executive positions in the enterprise ,

makes decisions on complaints lodged by workers and employees on hiring and firing and the internal distribution of jobs,

undertakes measures for the advancement of the enterprise s production and especially to improve

production, increase the productivity of labor, lower the costs of production improve the quality of products, economize, reduce waste,

decides questions of work norms in the enterprise,

decides who is to be proclaimed a shockworker, and makes decisions on proposals made by worker inventors,

takes measures for the technical advancement of workers and employees and for their correct assignment to jobs,

sees to the correct application of regulations on labor relations in the enterprise on pay, wages and the promotion of workers and employees, on work protection and social insurance, and improvement of the living conditions of the workers and employees in the enterprise,

discusses and adoptes a plan for annual vacations,

takes measures for the protection and correct utilization of state property managed by the enterprise and to eliminate and prevent damage waste and other forms of unconscientious behavior toward state property

The management board of an enterprise is responsible for the fulfilment of the plan and the correct running of the enterprise

The management board chooses a chairman from its members

The director cannot be the chairman of the management board

The president of the management board presides over the meetings of the management board and together with the director, draws up the agenda

The management board of the enterprise has full authority to make decisions if over half the members are present at a meeting

The decisions of the management board are made by the majority of those attending a meeting

The membe s of the management board while busy with its affairs have the right to compensation to the extent of wages lost during that period

It is the right and duty of the management board to send to the competent state organ its complaints and objections to decisions directives and rulings made by the management board of a higher economic association which it considers illegal or contrary to the interests of the enterprise but it cannot put a stop to the fulfillment of same until the competent state organ makes its decision

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the workers council of the enterprise of his objections

A member of the management board may bring out his objections to the work of the director only at meetings of the management board of the workers council

Enterprise Director

The director organizes the production process in the enterprise and directly sees to the fulfillment of the plan and the running of the enterprise adhering to the laws and regulations set up by the management board of the enterpr se and directives and orde s from the competent state organs, the management board and the director of the higher economic association

The director is directly responsible for adherence to the laws legal regulat ons and directives of the competent state organs and for assuring their applica tion in the enterprise

The director of the enterprise w thin the scope of the economic plan and in accordance with the deci sions of the management board of the enterprise con cludes agreements and directs the use of wo king

funds An agreement is valid when signed by the director

The director represents the enterprise before the state organs and in legal relations with physical and legal persons He may authorize another person to represent the enterprise in certain legal matters

The director of an enterprise hires workers and employees except for those jobs for which provision is made elsewhere, and makes decisions on their job assignment in the enterprise

The director of the enterprise makes decisions on notice given by workers and employees, insofar as this right is not given to other persons in the enterprise on the basic of general regulations

Workers and emp'oyees have the right of appeal to the management board of the enterprise, whose word is final, on any decision to give them notice or to assign them to other jobs

Should the director consider that a decision of the management board is contrary to the law, legal provisions, plans or directives of the competent state organs, it is his duty immediately to inform the management board of the higher economic association, or the competent state organ, and temporarily retard the execution of the decision until the management board of the higher economic association, or the competent state organ, makes a final decision The management board of the higher economic association, or the competent state organ is bound to make a decision at the latest within ten days

The director of an enterprise can undertake measures necessary for the fulfilment of the plan and for the correct management of the enterprise, which otherwise fall within the scope of activity of the management board, in case the management board does not make such decisions in time The director is to inform the management board of the measures undertaken at the following meeting

Workers' Council, Management Board and Director of Higher Economic Association

The workers' council of a higher economic association is elected by the workers' collectives of all amalgamated enterprises, in proportion to their numerical composition

The workers council of a higher economic association is composed of from 30 to 200 members

The management board of a higher economic association is composed of from 5 to 15 members including the director

At least three fourths of the members of the management board must be workers directly engaged in production that is in the basic economic activity of the various enterprises

The director of a higher economic association is appointed by the Presidium of the Federal Assembly of Yugoslavia by the presidium of the national assembly of a peoples republic, or by the people's committee

A special law will be passed providing for the method of election the scope and activity of workers councils and management boards of the higher economic associations and the position and authority of the director

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